



**JEROLD B. KATZ**  
Chairman of the Board

June 14, 2004

The Honorable J. Dennis Hastert  
The Speaker  
U.S. House of Representatives  
Washington, DC 20515

**Re: GC Services LP's Support for the American Jobs Creation Act, H.R. 4520**

Dear Speaker Hastert:

I would like to let you know about my company's support for the American Jobs Creation Act, H.R. 4520. In particular, the bill gives the U.S. Internal Revenue Service the ability to hire private collection agencies to aid its collection of delinquent taxes. Giving IRS this authority is needed and overdue. I certainly hope that you and your colleagues keep this provision in the bill as it moves through the House of Representatives and that the bill is enacted soon.

My company, GC Services LP, is one of the largest collection agencies in the United States. We help numerous private and public entities more efficiently and effectively collect the debts they are owed. We currently collect taxes for 19 states, including the state of Illinois. In fact, GC was the prime contractor for IRS' Automated Collection System and was the principal subcontractor for the IRS Integrated Collection System. We have been a contractor for the IRS for more than 20 years and we know that we can help it collect the taxes owed to the United States.

The IRS can use the expertise of private collection agencies like GC. Currently, they estimate that the United States is owed about \$280 billion in delinquent taxes. Last year, the IRS set aside about \$16 billion in unpaid taxes and has not made an attempt to collect it. That number was about \$13 billion in each of the previous few years. We are talking about too much money to ignore – particularly in light of the size of the current budget deficit.

In all, more than forty states work with private collection agencies to help them collect their taxes. What is striking about these programs is that very large sums of money have been collected with relatively few complaints. Taxpayer privacy has been protected – just as it has been when collection companies get IRS information to help collect delinquent child support payments for the states as authorized by the Congress.

## **GC Services**

The Debt Collection Company

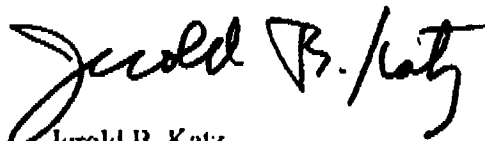
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When we help ensure that more people pay what they owe, that reduces the tax burden on all the rest of us who follow the rules and pay our taxes when they are due. Plus, private collection agencies work on a contingent basis and only get paid if they succeed in collecting the taxes owed. Therefore, this program can only make money – and works at no cost to the American taxpayer.

I am pleased that Chairman Thomas has included this provision in H.R. 4520 and I commend the Chairman and others on the Committee on Ways and Means who helped support its inclusion in the bill. It is a policy choice that will accrue to the benefit of all of us for many years to come. I am hopeful that the House of Representatives will pass H.R. 4520, including this provision, and that it will become law in short order.

Best regards,



Jerold B. Katz  
Chairman  
GC Services LP

cc: The Honorable Tom DeLay  
The Honorable Roy Blunt  
The Honorable Eric Cantor  
The Honorable Deborah Pryce  
The Honorable Nancy Pelosi  
The Honorable Steny Hoyer  
The Honorable William Thomas  
The Honorable Charles Rangel